



Department of Energy
Washington, DC 20585

April 24, 2018

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for this opportunity to address the Committee on Energy and Commerce about the Department of Energy's (DOE) role on the Committee on Foreign Investment in the United States (CFIUS) and our support for the bipartisan efforts in both the House and Senate to modernize CFIUS.

One of my top priorities and functions as the Assistant Secretary for the Office of International Affairs at DOE is to oversee the Department's role on CFIUS. DOE was designated as full-time CFIUS member in the Foreign Investment and National Security Act of 2007 (FINSA).

DOE plays a vital part in the national security role that CFIUS has in our country's ability to maintain an open foreign investment policy while also protecting our most sensitive national security interests. The Department has a vast portfolio of national security responsibilities in the Federal Government from protecting our energy infrastructure to maintaining and modernizing our nuclear weapons arsenal. In addition, DOE as part of its national security mission, seeks to keep the U.S. at the cutting edge of emerging technology and innovation through vital research to expand our scientific frontiers while making our economy prosper.

DOE brings a unique set of attributes to CFIUS with the expertise and experience from our National Nuclear Security Administration (NNSA), our traditional program offices that handle electricity, fossil energy, renewables, and nuclear power and our expansive network of 17 National Laboratories across the country that help us fulfill our mission. My office coordinates among these various entities, including the many program offices on a wide range of issues, including CFIUS.

The Department of the Treasury, as the Chair of the CFIUS, is the lead agency on all CFIUS cases and selects a co-lead agency per the CFIUS regulations for each case review. The co-lead agency generally is the agency most closely aligned to the subject matter expertise needed for the transaction subject to CFIUS review. Since 2009, DOE has often been selected as a co-lead agency. Even in matters where DOE is not a co-lead agency, DOE brings a particular set of subject-matter-expertise to the reviews and investigations conducted by CFIUS. DOE provides comprehensive national security

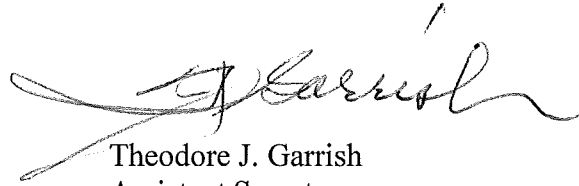


analysis to energy security questions, energy-related infrastructure issues, protecting the supply chain of our nuclear weapons arsenal and securing our country from the risks posed by cyber related threats.

CFIUS has evolved and adapted to the ever changing landscape where foreign investment into the U.S. crosses with our national security interests. However, CFIUS, which was born out of Executive Order 11858 in 1975, codified in the Defense Production Act of 1950 with amendments including Exon-Florio in 1988 and Byrd in 1992, and FINSA in 2007, is an appropriate subject for modernization.

As you proceed in considering an update to the CFIUS process our office is pleased to provide our expertise and experience in order to assist in your efforts. Thank you for your consideration and please do not hesitate to contact me if you have any questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'T. Garrish', with a long, sweeping horizontal line extending to the left.

Theodore J. Garrish
Assistant Secretary
Office of International Affairs

cc: The Honorable Joe Barton
Vice Chairman

The Honorable Frank Pallone
Ranking Member